

DEPARTMENT OF ADMINISTRATIVE & FINANCIAL SERVICES

Bureau of Human Resources

June 27, 2011

HUMAN RESOURCES MEMORANDUM 5-11

TO: Agency Heads, Human Resource Representatives, Directors of Administrative Services, Payroll Officers

SUBJECT: 2011 Retirement Incentive Program

This memorandum outlines a special retirement incentive program being implemented pursuant to Public Law 2011, Chapter 380, Part Z. This incentive program is only open to state employees in the Executive Branch who are eligible to retire under the regular retirement plan and who have reached their normal retirement age by the effective date of their retirement.

Employees who wish to participate must apply for the incentive to the Bureau of Human Resources between July 1, 2011 and August 31, 2011 using the attached Notice Of Intent To Participate In The 2011 Retirement Incentive Program.

Who is eligible for the retirement incentive program?

Employees retiring under the regular plan (Retirement Plan 110) who have reached their normal retirement age by the effective date of their retirement. Retirements must be effective between July 1, 2011 and November 1, 2011 (inclusive) in order to qualify for the incentive.

Any employee who meets these requirements is eligible for the incentive payment, even if the employee has already submitted a termination notice to retire.

The program provides a **cash incentive** to employees who apply (in the manner specified in this bulletin) and who meet the specified requirements. For full-time employees, the amount of the cash incentive is \$5,000. For part-time and seasonal employees, the \$5,000 cash incentive will be prorated based on authorized position hours and weeks-per-year for the position from which the employee will retire.

The cash incentive payment will be made by the employing department. The retirement incentive payment will be made in one payment, subject to appropriate tax withholdings, in January 2012.

Positions vacated by employees retiring under this program will be frozen through June 30, 2013. In the event a position is deemed critical and must be filled, the agency must identify comparable savings in the Personal Services line in the same fund prior to September 30, 2011 before the position will be cleared to fill.

IMPORTANT INFORMATION FOR EMPLOYEES WHO WISH TO RETIRE UNDER THIS PROGRAM

1. The cash incentive that is paid to participating employees will ***not*** be part of the average final compensation that is used to compute retirement pensions. It is separate in all respects from the employee's retirement pension.
2. Eligibility for group life insurance requires minimum service time. All employees are strongly encouraged to contact the Maine Public Employees Retirement System to verify eligibility to retire and to become informed about how retirement under this program may affect life insurance benefits.
3. Eligibility for group health insurance coverage also requires minimum service time. Employees with questions on retiree health insurance benefits should contact the Division of Employee Health & Benefits.
4. Eligibility to retire under this incentive program will be verified with the Maine Public Employees Retirement System before the incentive payment is released.

Departments must use termination code 1P (Cash Payment Incentive) on the Termination Form and in the MFASIS HR System to maintain a record of employees who retire under this program.

Questions on the incentive program itself should be directed to the Bureau of Human Resources, ATTN: Thaddeus Cotnoir at 624-7799.

S/ Joyce A. Oreskovich

Joyce A. Oreskovich, Acting Director
Bureau of Human Resources

**NOTICE OF INTENT TO PARTICIPATE IN THE 2011 RETIREMENT
INCENTIVE PROGRAM**

Name (Please Print)

Department

Social Security Number

Date of Retirement

In order to be eligible for the incentive, this completed form must be received by the Bureau of Human Resources (#4 State House Station, Augusta, ME 04333) no later than 5:00 pm on August 31, 2011.

I wish to participate in the 2011 Retirement Incentive Program. I understand that I must meet the following eligibility requirements:

1. I am retiring under the regular retirement plan (Retirement Plan 110);
2. I will have reached my normal retirement age by the effective date of my retirement; and
3. The effective date of my retirement will be between July 1, 2011 and November 1, 2011 (inclusive).

I understand that the retirement incentive payment will be prorated for part time and/or seasonal employment, and that if I am a part time and/or seasonal employee, the incentive payment will be less than \$5,000.

I understand that the retirement incentive payment will not be part of the average final compensation that is used to compute retirement pensions.

I understand that the retirement incentive payment will be made by the employing department in a single payment in January 2012 and will be subject to appropriate tax withholdings.

I understand that my eligibility for this retirement incentive program will be verified with the Maine Public Employees Retirement System and that payment will not be made until eligibility has been verified.

Employee Signature

Today's Date

FOR AGENCY USE ONLY

\$ _____

amount of incentive payment (prorated based on
authorized position hours and weeks)